

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

**DECLARATION OF MATTHEW P. KREMER, ESQ. IN SUPPORT OF THE
OBJECTION OF THE GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
AND THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY
AUTHORITY TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'
DERIVATIVE STANDING MOTION [DOCKET NO. 3881]**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

I, Matthew P. Kremer, declare under penalty of perjury:

1. I am an attorney with the law firm of O'Melveny & Myers LLP and represent the Government Development Bank for Puerto Rico (“**GDB**”) and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”) in the Title VI Action. I submit this declaration in support of the *Objection of the Government Development Bank for Puerto Rico and the Puerto Rico Fiscal Agency and Financial Advisory Authority to the Official Committee of Unsecured Creditors’ Derivative Standing Motion* [Docket No. 3881] (the “**Objection**”).²

2. Attached hereto as Exhibit A is a true and correct copy of the Joint Resolution No. 1591-2003, dated December 8, 2003.

3. Attached hereto as Exhibit B is a true and correct copy of the Joint Resolution No. 60-2011, dated July 1, 2011.

4. Attached hereto as Exhibit C is a true and correct copy of the Joint Resolution No. 62-2011, dated July 1, 2011.

5. Attached hereto as Exhibit D is a true and correct copy of the Joint Resolution No. 44-2014, dated July 1, 2014.

6. Attached hereto as Exhibit E is a true and correct excerpt of the Commonwealth of Puerto Rico’s Financial Information and Operating Data Report, dated December 18, 2016, which is available on EMMA (<https://emma.msrb.org/ER1184694.pdf>) and the GDB website (http://www.gdb.pr.gov/investors_resources/commonwealth-cfiodr.html).

7. Attached hereto as Exhibit F is a true and correct copy of the English translation of Act No. 31-2013 (<http://www.oslpr.org/download/en/2013/A-0031-2013.pdf>).

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Objection.

8. Attached hereto as Exhibit G is a true and correct copy of the Restructuring Support Agreement, dated May 15, 2017, redacted to prevent the disclosure of personally identifiable information and other commercially sensitive information, which was publically available on EMMA as of May 18, 2017 (<https://emma.msrb.org/EP1175143.pdf>). An updated version, which was supplemented with notice information, was available on EMMA as of June 19, 2017 (<https://emma.msrb.org/EP1181490.pdf>).

9. Attached hereto as Exhibit H is a true and correct copy of the May 15, 2017 press released titled The Government Development Bank for Puerto Rico Reaches Agreement for Title VI Restructuring with Its Major Creditors, which is publically available on, among other sources, the Drinker Biddle web page for holders of the GDB Senior Notes titled Restructuring Proposals (<https://www.drinkerbiddle.com/capabilities/services/bondholders/government-development-bank/restructuring-proposals>) and the website of the Puerto Rico Federal Affairs Administration (<http://prfaa.pr.gov/governor-announces-restructuring-agreement/>).

10. Attached hereto as Exhibit I is a true and correct copy of AAFAF's June 19, 2017 press release addressing the effectiveness of the GDB's Restructuring Support Agreement, which was publically available on EMMA as of that date (<https://emma.msrb.org/EP1181149.pdf>).

11. Attached hereto as Exhibit J is a true and correct copy of the Oversight Board's unanimous written consent, dated July 12, 2017, certifying among other things, the Restructuring Support Agreement as a Qualifying Modification, which was publically available on the Oversight Board's website as of July 17, 2017 (<https://drive.google.com/file/d/1kPZu8vmqZrjaJKCTLqxQL9WoQLbsbLnf/view>).

12. Attached hereto as Exhibit K is a true and correct copy of the July 14, 2017 press release from the Oversight Board titled Oversight Board Authorizes Government Development

Bank to Restructure Debts under Title VI of PROMESA, which was publically available on the Oversight Board's website as of that date (<https://drive.google.com/file/d/1sVcUYVKOEJKx7Fm5k0yo452Ap-0a5xh/view>).

13. Attached hereto as Exhibit L is a true and correct copy of the Oversight Board's Resolutions Adopted at the Seventh Public Meeting of the Financial Oversight and Management Board for Puerto Rico Held on April 28, 2017 in New York, New York, which was publically available on the Oversight Board's website as of that date (<https://drive.google.com/file/d/16QhAQ9icSAj6r-dyhJoNMPb8qJxUSIkH/view>). Resolution No. 2 approves and certifies the Fiscal Plan for GDB.

14. Attached hereto as Exhibit M is a true and correct copy of the letter, dated May 2, 2017 from José B. Carrión III, Chair of Financial Oversight and Management Board for Puerto Rico, to Governor Rosselló Nevares, Senator Rivera Schatz, and Speaker Méndez Núñez, which was publically available on the Oversight Board's website as of that date (<https://drive.google.com/file/d/1y7VuVwrIPahgl6wTnm8ga7DSvTEgjUwF/view>).

15. Attached hereto as Exhibit N is a true and correct copy of the July 31, 2017 letter from José B. Carrión III, Chair of Financial Oversight and Management Board for Puerto Rico, to Governor Rosselló Nevares, Senator Rivera Schatz, and Speaker Méndez Núñez certifying the GDB Fiscal Plan, which was publically available on the Oversight Board's website as of August 1, 2017 (<https://drive.google.com/file/d/1csVBRQDJFy6pFffORRw3fHTZYaKLH0hl/view>).

16. Attached hereto as Exhibit O is a true and correct copy of the Oversight Board's unanimous written consent, dated July 12, 2017, approving the revised certified fiscal plan, which was publically available on the Oversight Board's website, as of July 17, 2017 (<https://drive.google.com/file/d/1LEV64ERlrW1KOSNq4tRnEstaKGOTHwHW/view>).

17. Attached hereto as Exhibit P is a true and correct copy of the English version of the *Government Development Bank for Puerto Rico Debt Restructuring Act*, Act No. 109 of 2017, enacted as of August 24, 2017.

18. Attached hereto as Exhibit Q is a true and correct copy of the Amendments to the English Version of the GDB Restructuring Act, enacted as of June 30, 2018.

19. Attached hereto as Exhibit R is a true and correct copy of the First Amendment to the Restructuring Support Agreement, dated October 20, 2017, which was publically available on EMMA as of that date (<https://emma.msrb.org/EP1196929.pdf>).

20. Attached hereto as Exhibit S is a true and correct copy of the Second Amendment to the Restructuring Support Agreement, dated December 20, 2017, which was publically available on EMMA as of that date (<https://emma.msrb.org/ES1241684.pdf>).

21. Attached hereto as Exhibit T is a true and correct copy of the Third Amendment to the Restructuring Support Agreement, dated March 20, 2018, which is publically available on the Drinker Biddle web page for holders of the GDB Senior Notes titled Restructuring Proposals (<https://www.drinkerbiddle.com/capabilities/services/bondholders/government-development-bank/restructuring-proposals>).

22. Attached hereto as Exhibit U is a true and correct copy of the Fourth Amendment to the Restructuring Support Agreement, dated April 6, 2018, which was publically available on EMMA as of April 9, 2018 (<https://emma.msrb.org/ES1125696-ES880621-ES1281908.pdf>).

23. Attached hereto as Exhibit V is a true and correct copy of the Fifth Amendment to the Restructuring Support Agreement, dated June 8, 2018, which was publically available on EMMA as of July 17, 2018 (<https://emma.msrb.org/ER1293381.pdf>).

24. Attached hereto as Exhibit W is a true and correct copy of the Sixth Amendment to the Restructuring Support Agreement, dated August 3, 2018, which was publically available on EMMA as of August 6, 2018 (<https://emma.msrb.org/ES1328990.pdf>).

25. Attached hereto as Exhibit X is a true and correct copy of AAFAF's March 27, 2018 press release titled GDB and a Significant Portion of the RSA Parties have Reached a Deal to Amend the GDB Restructuring Support Agreement, which was publically available on EMMA and AAFAF's website as of that date (<https://emma.msrb.org/ES1125696-ES880621-ES1281909.pdf>).

26. Attached hereto as Exhibit Y is a true and correct copy of AAFAF's April 9, 2018 press release, titled AAFAF, GDB and the Requisite Bondholders Authorize the GDB Restructuring Support Agreement Amendment, which was publically available on EMMA and AAFAF's website as of that date (<https://emma.msrb.org/ES1136757-ES889453-ES1290785.pdf>).

27. Attached hereto as Exhibit Z is a true and correct copy of the Oversight Board's unanimous written consent, dated May 8, 2018, whereby the Oversight Board recertified the Amended Restructuring Support Agreement as a Voluntary Agreement and Qualifying Modification under Title VI, which was publically available on the Oversight Board's website as of May 11, 2018 (https://drive.google.com/file/d/17n_KC7dTY6OA22dNG19odSrgiw3cNAa_/view).

28. Attached hereto as Exhibit AA is a true and correct copy of AAFAF's May 11, 2018 press release titled Oversight Board for Puerto Rico Certifies the Government Development Bank Restructuring Support Agreement Amendment, which was publically available on EMMA as of that date (<https://emma.msrb.org/ES1303759.pdf>).

29. Attached hereto as Exhibit BB is a true and correct copy of the April 24, 2018 letter from José B. Carrión III, Chair of Financial Oversight and Management Board for Puerto Rico, to Governor Rosselló Nevares, Senator Rivera Schatz, and Speaker Méndez Núñez stating that the GDB Fiscal Plan was certified at Oversight Board's thirteenth public meeting, which was publically available on the Oversight Board's website as of April 25, 2018 (https://drive.google.com/file/d/1wqfdCx_JUuqC1r1rbvGx6ulh5N0INXAG/view).

30. Attached hereto as Exhibit CC is a true and correct copy of the Oversight Board's April 20, 2018 press release titled Oversight Board Certifies UPR, HTA & GDB Fiscal Plans, which was publically available on the Oversight Board's website as of that date (<https://drive.google.com/file/d/19IEEMwgJwsyNt14zX0uTXfAO6FCdR3ZN/view>).

31. Attached hereto as Exhibit DD is a true and correct copy of the Government Development Bank for Puerto Rico New Fiscal Plan, as Certified by the Financial Oversight and Management Board for Puerto Rico, dated April 20, 2018, which was publically available on the Oversight Board's website as of that date (<https://drive.google.com/file/d/1z-Tfzv8eMx47QyWFT3sY2mmbeJrxX2S1/view>).

32. Attached hereto as Exhibit EE is a true and correct copy of a certified English translation of the Supreme Court of Puerto Rico's decision in *Rodríguez Román v. Banco Gubernamental de Fomento para Puerto Rico*, 151 D.P.R. 383 (2000). This certified translation was filed with this Court on September 5, 2018. [Docket No. 3858 Ex. A].

33. Attached hereto as Exhibit FF is a true and correct copy of a certified English translation of the Supreme Court of Puerto Rico's decision in *Commoloco of Caguas, Inc. v. Benítez Díaz*, 126 D.P.R. 478 (1990). This certified translation was filed with this Court on September 5, 2018. [Docket No. 3858 Ex. B].

34. Attached hereto as Exhibit GG is a true and correct copy of a certified English translation of the Supreme Court of Puerto Rico's decision in *Amieiro Gozález v. Pinnacle Real Estata Home Team*, 173 D.P.R. 363 (2008). This certified translation was filed with this Court on September 5, 2018. [Docket No. 3858 Ex. C].

35. Attached hereto as Exhibit HH is a true and correct copy of the official English translation of the *Puerto Rico Fiscal Agency and Financial Advisory Authority Act*, Act No. 2 of January 18, 2017.

Executed in New York, New York on September 21, 2018

/s/ Matthew P. Kremer

Matthew P. Kremer